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Chief of Station, Karlsruhe

16 April 1950

Chief, Foreign Branch X

Operational

Brigadeführer u. Oberregierungsrat
Dr. Walter Friedrich SCHILLINGER

1. A check of the British allegation (FBI 8012) that STILLY had offered his services to HICKMAN in setting up post-draft resistance turned up SCHILLINGER's account of the incident. An extract is being passed separately of that part of the Final Report on the Case of Walter Friedrich SCHILLINGER (II-11685) which relates the story of STILLY's offer. Despite SCHILLINGER's unsatisfactory mental condition while under interrogation, his account of STILLY's offer is both lucid and credible. Certainly no would seem justified, on the basis of SCHILLINGER's statements, at least in assuming that the two were well acquainted. Since STILLY has never to our knowledge mentioned this connection, and had even once in conversation with Donald G. Woods conveyed the impression that he did not know SCHILLINGER, we were mildly dismayed.

2. In considering how we might best verify SCHILLINGER's story and toying with the idea of at some point confronting STILLY with SCHILLINGER, we read with the interest certain references to SCHILLINGER, f.a., in operational correspondence. Possibly the most startling vista opened by the exception of an acquaintanceship between STILLY and SCHILLINGER is that presented by the involvement of an unidentified SCHILLINGER in STILLY's activities. Is it possible that the economic adviser of STILLY, Dr. SCHILLINGER, is Mr. Walter Friedrich? We would like, if possible, to have a preliminary report from other than OASD sources on the routine aspects of the THETEL affair. For example, in the SCHILLINGER concerned identified in the articles of incorporation or related papers, or in the rent agreement with Price and Company, and, in the form of a neighbourhood check, who is the occupant of the 3½ room apartment at the disposal of SCHILLINGER?

3. Could we, in addition, be brought up to date on the current overt situation and activities of Mr. Walter SCHILLINGER? A reference in WCB-5485 to the possible advisability of querying a Disponent of SCHILLINGER on the background of a person of possible operational interest indicates him to be more or less available.